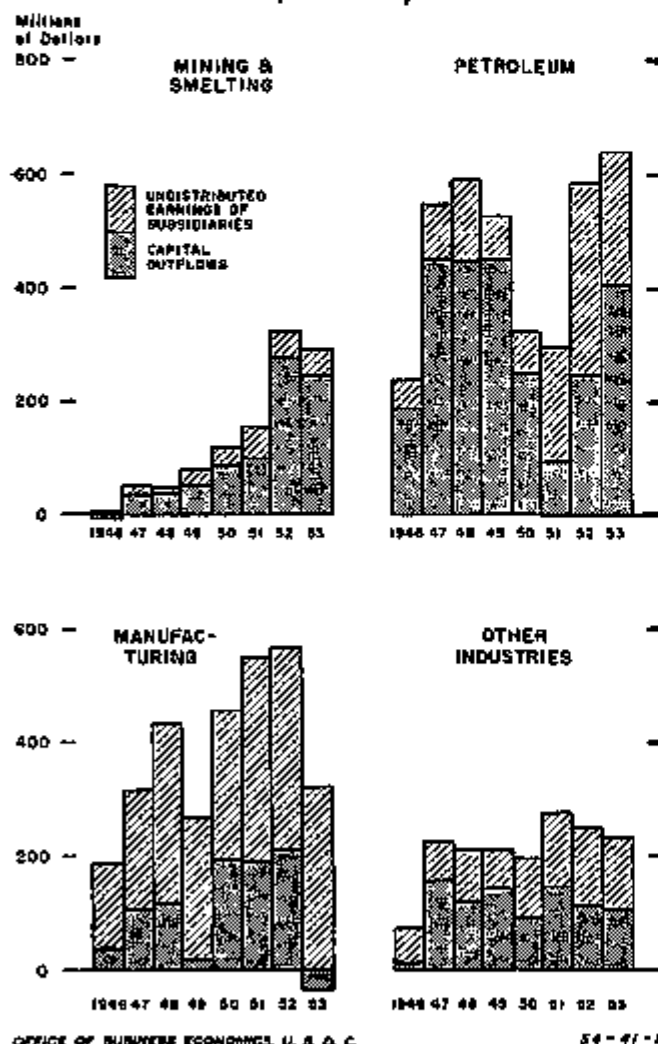


Foreign Investments and Income

UNITED STATES corporations added about \$1.5 billion to their direct investments in foreign subsidiaries and branches in 1953, and continued to increase the total at about the same rate in the first half of 1954. This rate is below the 1952 peak, but maintains the high volume of direct private foreign investments which has characterized the entire postwar period.

Additions to Direct Investments Abroad
By Industry



Nearly \$10 billion were added to United States direct foreign investments from 1946 through the middle of 1954, raising their present book value to some \$17 billion as compared with about \$7 billion at the end of 1946. The great productive facilities represented by these sums have con-

tributed much to the postwar recovery and development of foreign countries. With this greater productive capacity these countries are able to supply more of their own needs and also to participate in an increased amount and variety of foreign trade.

Earnings of the direct investments abroad have been steady at about \$2.2 billion annually since 1950, after payment of foreign taxes of some \$1 billion a year. Nearly \$800 million a year out of the net earnings in this period has been retained abroad by foreign subsidiaries, mainly to finance the expansion and modernization of foreign operations. The remaining \$1.5 billion of dividends, interest and branch profits has been an important part of the total annual earnings of many United States companies.

Private portfolio investments, which consist mainly of purchases of foreign government and corporate securities and loans by United States financial institutions, have tended to fluctuate widely from year to year. This contrasts with the more steady flow of direct investments. In 1953 portfolio investments were liquidated, on balance, but late in 1953 and in 1954 a sizable outflow was resumed.

Direct Investments

Both the flow of direct investment capital from the United States and the reinvestment of earnings of foreign subsidiary companies remained high in 1953. Each contributed about equally to the total increase of \$1.5 billion in the value of direct investments abroad. Partial information for the first half of 1954, as given in table 1, shows that capital outflows are being well maintained. Aiding this movement is the growing strength of foreign economies and increased freedom in trade and foreign exchange transactions, which, in turn, are in part the result of productive capacity added by the direct investment projects.

Although the aggregate capital outflow for direct investment abroad has been relatively stable in the postwar period, marked fluctuations have occurred from year to year in the area and industry distribution of the total. Such fluctuations have resulted from various causes, including the discovery and development of new sources for raw materials, the completion of scheduled investment programs, and relatively short-term flows connected with such factors as exchange restrictions or changes in exchange rates, or the timing of new financing and tax payments.

Direct foreign investments are quite diverse, comprising a combined investment of some \$17 billion by more than 2,000 leading United States corporations, but the net capital flow in most postwar years has been dominated by a relatively few large projects or areas of intense development. While such projects are under way the capital outflow may be very large, but when the particular project is completed and the new facilities are put into operation, a return flow of capital to the United States is often set in motion to repay advances by the parent company and to set aside reserves against depreciation and depletion. Fluctuations due to this factor, and the others mentioned above, sometimes

NOTE.—MR. PIZER AND MR. CUTLER ARE MEMBERS OF THE BALANCE OF PAYMENTS DIVISION, OFFICE OF BUSINESS ECONOMICS.

tend to obscure the consistent flow of United States investments abroad to finance new ventures during the postwar period.

Manufacturing down in 1953

One of these major fluctuations occurred in 1953, when capital flows connected with manufacturing enterprises changed from a net outflow of over \$200 million in 1952 to a net inflow of about \$30 million in 1953. The reversal was most marked in Latin America where the flow changed from an outward movement of \$80 million in 1952 to an inward movement of about the same amount in 1953. Brazil accounted for over 80 percent of these totals. It is clear that United States parent companies financed a large amount of equipment and materials required to carry on manufacturing in that country in 1952 while dollar exchange was not available. In 1953 they were repaid, in part from the proceeds of an Export-Import Bank loan and in part by remitting dollars at less than the official rate through free markets.

Earnings of manufacturing enterprises were also down in Latin America in 1953, particularly in Argentina and Brazil. Lower industrial activity was apparently the principal factor in Argentina. Earnings in terms of local currency were higher in Brazil because of rising output and prices, but in converting to dollars an exchange rate of about 20 cruzeiros to the dollar was used in 1952 while a rate of about 50 cruzeiros to the dollar was used in 1953, so that the dollar equivalent of the earnings was considerably reduced. Brazil accounts for over half of the earnings of United States-owned manufacturing companies in Latin America.

Table 1.—Direct Investment Capital Movements, by Area and Industry, January-June 1954

(In millions of dollars; inflows to the United States (—))

Area	Total	Manufacturing	Petro- leum	Manu- facturing	Other in- dustries
All areas, total	406	85	144	58	149
Canada	248	44	97	41	61
Latin American Republics	79	1	32	2	44
Western Europe	25	—	—3	7	21
Western European depend- encies	-14	3	-13	1	—
Other countries	78	7	36	7	23

Note: Based on partial information.

Source: U. S. Department of Commerce, Office of Business Economics.

Capital flows for manufacturing in Canada were greatly reduced in 1953 from the 1952 peak because of the completion of United States financing for the development of facilities for processing aluminum. However, the expansion of other manufacturing facilities in Canada continued at a rapid rate, and improved earnings in 1953 permitted larger reinvestments.

Manufacturing activities outside of the Western Hemisphere did not involve significant amounts of capital flows in the aggregate. Reinvested earnings continued to be the major source of funds for expansion, especially in Western Europe, and moderately higher earnings were available in 1953 for this purpose.

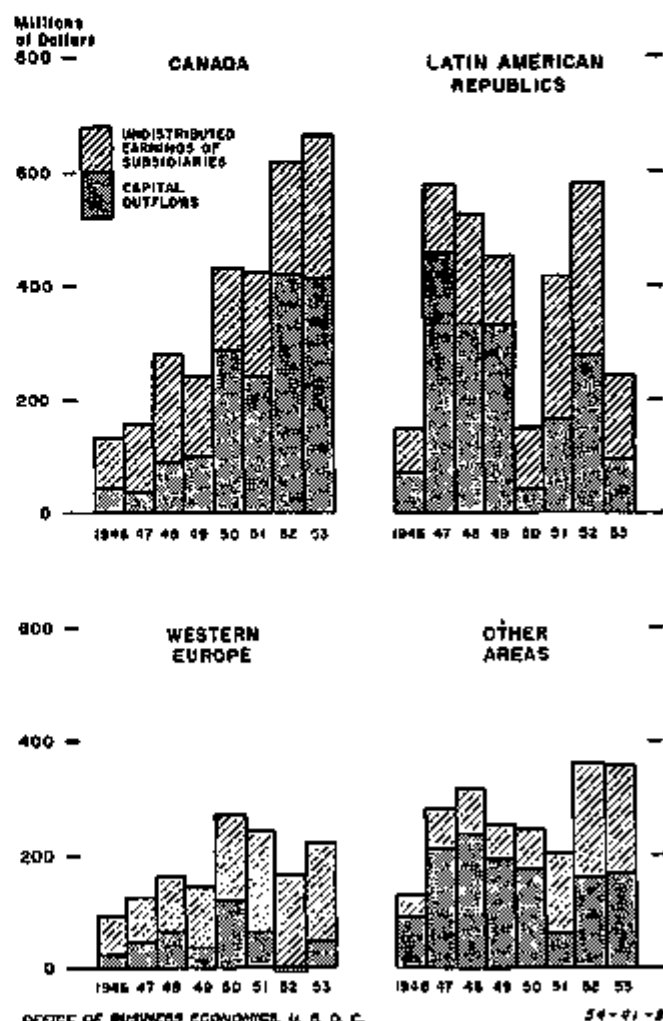
Note.—Detailed data for 1946-49 given in this article are based on the complete 1950 Census published in FOREIGN INVESTMENTS OF THE UNITED STATES, a special supplement to the SURVEY OF CURRENT BUSINESS, and are revisions of previously published estimates.

Record petroleum investment

American petroleum companies were very active abroad in all phases of the industry in 1953 and invested a record amount of \$640 million. About \$400 million of this total represented capital flows, the highest since the rapid growth of the 1947-49 period. Reinvested earnings of foreign subsidiaries amounting to about \$240 million were substantially less than in 1952 but higher than in any other year. Total earnings abroad of the industry were cut back somewhat in 1953, in spite of higher prices and sustained output, because of large exploration costs and a sharp drop in earnings from tanker operations.

About half of the capital flow for this industry went to Canada as the companies intensively explored and developed the petroleum resources of Western Canada, and continued the construction of pipelines and refinery capacity. Moreover, the capital flows do not include additional exploration and development costs, totaling over \$50 million which were charged against earnings in 1953.

Additions to Direct Investments Abroad By Area

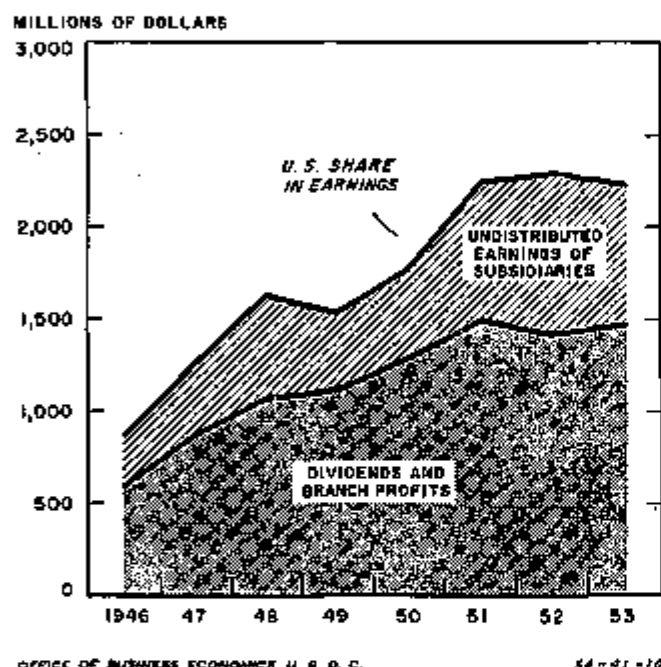


Petroleum investments in Latin America continued small in comparison with the earlier postwar years. About \$100 million was invested in 1953, divided about equally between capital flows and reinvested earnings. Venezuela received half of the total as the companies continued to expand their

productive facilities in that country. About \$30 million was invested in Brazil, but this represented primarily the value of imports of petroleum products from the parent companies for which payment was not made.

Petroleum investments attributed to Panama consist mainly of ocean tankers operated under the Panamanian flag. Because of the very low tanker rates prevailing in 1953 earnings from such investments were reduced, and, because these earnings flow back to the United States through intercompany accounts, there was also a reduction in the net return capital flow to the United States.

Foreign Earnings of Direct Investment Companies



Considerable amounts were invested in Western Europe in 1953 by the petroleum companies, both to improve and enlarge the refinery facilities which have contributed significantly to the economic strength of Europe and to find and develop new indigenous sources of oil, especially in France, Germany and Italy.

American petroleum companies also continued to spend large sums for further expansion of production in the Middle East, and to build and enlarge refineries in the Far East. Additional large amounts are scheduled to go to Iran as the result of an agreement under which oil production has been resumed in that country.

Mining investments high

Direct investments abroad in mining which have grown faster since 1949 than in the case of any other major industry, reached nearly \$2 billion by the end of 1953. The amount added was lower in 1953 than in 1952 because some large projects in Canada, Venezuela, Chile, and Peru were nearing completion. Capital outflows for mining will probably be further reduced in 1954, especially so since there is likely to be a return flow as large-scale shipments begin from some of the mines. This will also be reinforced to the extent that some enterprises are operating under provisions for rapid de-

preciation. However, the outlook for this industry includes a wide range of new developments so that investments are expected to continue at a substantial rate.

Earnings of the mining enterprises were severely cut in 1953 by reduced output and prices. This was particularly marked in Chile.

Other industries little changed

Both capital flows from the United States and earnings abroad of most other industries were relatively stable in 1953. The principal development was a sharp drop in the earnings of agricultural enterprises to the lowest point since 1949. Sugar producers experienced most of the decline because of lower world market prices for their products and restrictions on the size of the crop.

Table 2.—Direct Investment Capital Movements, by Major Areas and Industries, 1946-53

(Billions of dollars; inflows to the United States (-))

Area and year	Total	Agriculture	Mining and smelting	Petroleum	Manufacturing	Public utilities	Trade	Other industries
All areas, total:								
1946.....	732	-17	247	404	-34	13	30	63
1947.....	950	-8	278	348	211	22	17	90
1948.....	633	24	100	83	190	-8	28	20
1949.....	431	-9	87	240	102	-3	08	37
1950.....	600	10	51	448	10	29	20	89
1951.....	721	28	37	448	118	30	41	54
1952.....	740	18	38	451	107	55	58	27
1953.....	220	4	-0	180	30	-71	27	54
Canada:								
1946.....	413	(1)	115	181	40	2	25	41
1947.....	420	-1	124	122	121	1	2	43
1948.....	240	(1)	30	124	30	-1	0	44
1949.....	287	2	29	122	88	-0	32	21
1950.....	100	1	13	33	7	-2	4	14
1951.....	88	-4	6	43	43	1	8	-11
1952.....	30	(1)	-1	30	13	-4	-1	-4
1953.....	47	(1)	1	13	-0	-2	1	43
Latin American Republics:								
1946.....	98	-18	210	57	-83	5	-6	18
1947.....	277	-4	120	32	80	21	11	15
1948.....	100	22	00	-75	110	-7	38	11
1949.....	66	-7	29	-69	61	-3	18	7
1950.....	332	0	32	234	-7	25	28	14
1951.....	333	30	16	174	20	20	34	13
1952.....	467	10	35	232	65	60	34	10
1953.....	71	4	-7	104	23	-71	13	8
Western Europe:								
1946.....	-8	(1)	32	-3	(1)	(1)	7	12
1947.....	-9	(1)	-24	6	(1)	(1)	2	5
1948.....	62	(1)	37	17	(1)	(1)	7	1
1949.....	110	(1)	73	32	4	(1)	7	2
1950.....	36	(1)	12	6	(1)	(1)	-1	19
1951.....	64	(1)	41	5	(1)	(1)	2	16
1952.....	40	(1)	17	15	(1)	(1)	0	4
1953.....	23	(1)	8	7	(1)	(1)	4	2
Western European dependencies:								
1946.....	70	(1)	3	73	(1)	(1)	1	1
1947.....	-8	(1)	18	-23	(1)	(1)	1	(1)
1948.....	1	1	2	-2	(1)	(1)	2	(1)
1949.....	14	(1)	13	-0	3	(1)	2	(1)
1950.....	20	1	2	26	1	(1)	(1)	(1)
1951.....	71	(1)	-1	61	2	(1)	2	(1)
1952.....	56	1	-1	40	1	(1)	4	(1)
1953.....	5	-1	-1	6	(1)	(1)	1	1
Other countries:								
1946.....	80	1	6	62	3	5	-3	11
1947.....	108	-2	6	142	4	2	2	12
1948.....	80	1	2	8	23	5	2	14
1949.....	101	-4	10	127	5	1	5	8
1950.....	103	(1)	2	145	0	(1)	-0	12
1951.....	165	7	8	128	0	-2	4	7
1952.....	182	4	2	117	12	-2	12	7
1953.....	84	1		80	15	2	7	3

1. Less than \$500,000.

Source: U. S. Department of Commerce, Office of Business Economics.

Overall capital outflows for trade and distribution were somewhat higher, mainly because of a large increase in Canada. There were sizable inflows from Brazil, however, as remittances were made on earlier advances.

Investment in Canada leads

Out of a total increase of \$1.5 billion in direct investments abroad in 1953, Canada accounted for \$650 million—a record amount. Capital flows to Canada were over \$400 million, as in 1952, with increased investments in petroleum and trade offsetting reductions in manufacturing and mining. Reinvested earnings rose to \$250 million, as earnings improved somewhat, mainly in manufacturing, while dividends were cut below the 1952 amount.

A feature in 1954 was the organization in the United States of a number of investment funds to be incorporated in Canada for the specific purpose of acquiring Canadian securities, especially corporate stocks. Total capital issues offered by the funds through October totaled \$100 million. Of this about \$30 million is included in direct investment outflows in the second quarter of 1954.

Additions to direct investments in Latin America were less than half of the 1952 total, with both capital flows and reinvestment of earnings reduced. However, the reduction in net capital flows was not connected with changes in basic trends but was associated very largely with inflows of relatively short-term capital from Brazil, as noted above. Reinvestments were lower partly because of a reduction in

Table 3.—Net Direct Investment Capital Movements by Selected Countries, 1946-53

(Millions of dollars; net inflows to the United States (-))

Country	1946	1947	1948	1949	1950	1951	1952						1953					
							Total	Mining and smelting	Petroleum	Manufacturing	Trade	Other industries	Total	Mining and smelting	Petroleum	Manufacturing	Trade	Other industries
All areas, total.....	230	749	721	606	621	528	850	278	348	361	17	96	723	247	461	-24	28	78
Canada.....	47	39	86	509	287	346	420	134	122	121	2	41	413	115	161	43	25	43
Latin American Republics, total.....	71	487	333	332	40	280	277	129	22	80	11	28	93	119	67	-83	-5	6
Argentina.....	-66	44	20	7	15	-0	6	(1)	(1)	12	4	5	4	(1)	(1)	(1)	2	5
Brazil.....	39	33	48	40	20	82	125	(1)	34	65	-	(1)	-30	(1)	28	-71	-11	(1)
Chile.....	3	9	-4	21	22	40	37	36	(1)	-2	-	(1)	36	31	(1)	1	-2	(1)
Colombia.....	17	-3	0	10	-7	11	20	(1)	6	6	7	(1)	1	(1)	-6	2	2	(1)
Costa Rica.....	6	2	5	-1	2	(1)	(1)	(1)	(1)	(1)	(1)	(1)	(1)	(1)	(1)	(1)	(1)	(1)
Cuba.....	-8	(1)	5	-2	7	13	5	(1)	(1)	1	-3	10	-5	(1)	(1)	-8	2	(1)
Dominican Republic.....	2	4	13	4	1	11	-7	(1)	(1)	(1)	(1)	-7	-6	(1)	(1)	(1)	(1)	-6
Honduras.....	6	9	3	5	1	14	2	(1)	(1)	(1)	(1)	2	(1)	(1)	(1)	(1)	(1)	(1)
Mexico.....	4	31	23	-13	25	24	-10	-4	1	-3	-	2	3	7	(1)	-6	-1	3
Panama.....	16	119	33	26	-1	-35	-18	(1)	-47	(1)	-3	1	-15	(1)	11	1	1	-5
Peru.....	0	20	-2	-15	-0	17	28	28	(1)	-6	3	(1)	30	16	(1)	-1	2	(1)
Uruguay.....	1	1	1	1	3	6	1	(1)	1	(1)	(1)	(1)	13	(1)	(1)	-2	1	(1)
Venezuela.....	63	120	160	108	-20	-16	116	(1)	49	4	3	(1)	18	(1)	27	1	2	(1)
Other countries.....	0	0	7	0	(1)	(1)	(1)	1	(1)	-2	(1)	(1)	6	3	1	1	(1)	1
Western Europe, total.....	33	46	64	36	168	62	-8	(1)	-24	6	3	9	40	(1)	33	-4	7	13
Belgium.....	3	7	3	(1)	3	13	-2	(1)	2	-3	(1)	(1)	9	(1)	4	3	(1)	(1)
France.....	2	3	16	3	0	2	2	(1)	-4	1	2	6	11	(1)	7	3	(1)	(1)
Germany.....	1	2	5	1	7	3	2	(1)	-3	4	(1)	(1)	7	(1)	4	-1	(1)	3
Italy.....	1	2	4	4	10	(1)	5	(1)	4	(1)	(1)	(1)	13	(1)	8	1	(1)	4
Netherlands.....	-3	1	6	5	18	7	(1)	(1)	(1)	(1)	(1)	(1)	7	(1)	4	2	(1)	(1)
Portugal.....	1	3	(1)	-2	2	3	(1)	(1)	(1)	(1)	(1)	(1)	(1)	(1)	(1)	(1)	(1)	(1)
Spain.....	1	2	2	14	2	2	1	(1)	(1)	(1)	(1)	(1)	3	(1)	(1)	(1)	(1)	(1)
Sweden.....	4	6	-1	(1)	2	3	3	(1)	2	(1)	(1)	(1)	(1)	(1)	(1)	(1)	(1)	(1)
United Kingdom.....	1	19	24	14	49	18	-21	(1)	-24	5	1	(1)	11	(1)	4	1	4	1
Other countries.....	0	0	0	-3	9	11	-2	(1)	-1	-1	(1)	(1)	0	(1)	6	1	(1)	2
Western European dependencies, total.....	2	58	71	39	14	1	-5	19	-23	(1)	1	(1)	79	3	72	(1)	1	1
Western Hemisphere:																		
British.....	1	5	3	2	5	1	15	(1)	2	(1)	(1)	(1)	2	(1)	(1)	(1)	(1)	(1)
Other European.....	-11	-7	11	10	1	5	5	(1)	(1)	(1)	(1)	(1)	2	(1)	(1)	(1)	(1)	(1)
Africa:																		
British.....	2	2	4	1	8	4	6	2	(1)	(1)	(1)	(1)	-2	(1)	-3	(1)	(1)	(1)
French.....	(1)	2	2	-1	2	(1)	-1	(1)	(1)	(1)	(1)	(1)	-1	(1)	-2	(1)	(1)	(1)
Other European.....	(1)	1	2	(1)	2	(1)	1	(1)	(1)	(1)	(1)	(1)	(1)	(1)	(1)	(1)	(1)	(1)
Other areas:																		
British.....	7	31	50	12	-3	-12	-30	(1)	(1)	(1)	(1)	(1)	22	(1)	(1)	(1)	(1)	(1)
Other European.....	5	38	(1)	5	4	2	7	(1)	(1)	(1)	(1)	(1)	5	(1)	(1)	(1)	(1)	(1)
Other countries, total.....	84	152	186	183	103	59	166	6	142	4	2	12	88	0	82	1	-3	17
Africa:																		
Liberia.....	(1)	(1)	(1)	38	32	(1)	(1)	(1)	(1)	(1)	(1)	(1)	14	(1)	(1)	(1)	(1)	(1)
Union of South Africa.....	0	14	14	-1	23	1	25	0	(1)	(1)	(1)	(1)	4	(1)	(1)	(1)	(1)	(1)
Other countries.....	0	0	15	1	3	3	1	(1)	(1)	(1)	(1)	(1)	3	(1)	(1)	(1)	(1)	(1)
Other areas:																		
Australia.....	3	19	8	11	24	20	28	(1)	(1)	(1)	(1)	(1)	-19	(1)	(1)	(1)	(1)	2
India.....	4	-1	-1	3	16	7	9	(1)	(1)	(1)	(1)	(1)	2	(1)	(1)	(1)	(1)	(1)
Indonesia.....	(1)	(1)	(1)	12	-12	4	-23	(1)	(1)	(1)	(1)	(1)	14	(1)	(1)	(1)	(1)	(1)
Israel.....	(1)	1	1	2	10	7	7	(1)	(1)	(1)	(1)	(1)	14	(1)	(1)	(1)	(1)	(1)
Japan.....	1	1	2	5	7	21	23	(1)	(1)	(1)	(1)	(1)	10	(1)	(1)	(1)	(1)	(1)
Philippines Republic.....	17	10	12	-5	6	3	9	(1)	(1)	(1)	(1)	(1)	3	(1)	(1)	(1)	(1)	(1)
Other countries.....	47	37	112	98	59	-35	85	(1)	38	-1	-1	(1)	33	(1)	34	(1)	(1)	(1)

1. Included in totals.

2. Less than \$100,000.

3. Indonesia is included in "other European" dependencies in the years 1946-49 and is shown separately under "other areas" in the years 1950-53.

Source: U. S. Department of Commerce, Office of Business Economics.

earnings in agriculture and mining and reduced earnings of tanker companies. The use of lower exchange rates to convert local currency earnings retained in Brazil also reduced the estimated dollar value of reinvested earnings.

Capital outflows to Western Europe picked up in 1953, although, as usual, most of the increase of over \$200 million in the value of direct investments in that area came out of reinvested earnings. The outstanding development in 1953 was a rise in net capital outflows of petroleum companies to about \$30 million. This was in sharp contrast to 1952 when there were net flows back to the United States from several countries as earlier loans by parent companies for investments in refineries were partly repaid.

Overall additions to direct investments in countries outside the Western Hemisphere and Europe were about equal to the 1952 amount and well above the postwar average. There was practically no change in the industry distribution of these investments, with petroleum continuing to account for about 70 percent of the current additions. However, sizeable shifts occurred in capital flows to the various countries in Africa and Asia. Middle East petroleum investments did not change greatly in total, for instance, but heavy expenditures shifted from one part of the area to another. Reduced flows to the Union of South Africa and Australia were connected with the completion of programs for increasing petroleum refining capacity.

Direct Investment Earnings

Foreign earnings of direct investment companies were unfavorably affected by weaknesses in some world markets in 1953, and were also retarded by growing charges against

income. Price weaknesses for nonferrous metals and sugar, together with reduced output, caused a drop in earnings from mining and agriculture. Charges against the earnings of mining and petroleum companies for exploration and development expenses, and allowances for accelerated depreciation, also increased. Petroleum earnings were further affected by much lower earnings of tanker operations and other distribution facilities. Earnings from the production and refinery operations of this industry were higher, however, reflecting sustained output at somewhat higher prices and the use of expanded refinery capacity.

Earnings of other industries changed comparatively little from the prior year, although manufacturing earnings increased substantially outside of Brazil, where there was a special situation resulting from the shift in exchange valuation.

Income receipts in 1953, i. e., dividends, interest, and branch profits, were also close to the 1952 amount. The principal change was an increase in branch profits from the production of petroleum in Latin America.

Gains from direct investments

American direct investments abroad constitute an important segment of the world economy, not only contributing directly to world output and welfare but also providing in many countries an example of the gains from modern industrial methods. Quantitative measures of the overall importance of the direct investment enterprises to the foreign countries and the United States economy would be inadequate at best, partly because of the heterogeneity of the enterprises and the relatively greater concentration in some countries and industries, and partly because some of the

Table 4.—Gross Movements¹ of Direct Investment Capital, by Areas and Industries, 1951-53

(Millions of dollars; net inflows (-))

Industry and year	All areas			Canada			Latin American Republics			Western Europe			Western European dependencies			Other countries		
	Outflows	Inflows	Net	Outflows	Inflows	Net	Outflows	Inflows	Net	Outflows	Inflows	Net	Outflows	Inflows	Net	Outflows	Inflows	Net
All industries:																		
1951.....	1,083	470	628	330	91	240	414	240	100	197	85	82	39	29	1	132	73	59
1952.....	1,351	594	859	316	98	218	469	192	271	108	78	-8	56	62	-5	272	106	166
1953.....	1,256	516	722	497	84	413	355	242	93	114	66	45	96	12	79	180	91	89
Agriculture:																		
1951.....	42	18	24	2	1	(?)	38	17	21							1		1
1952.....	12	10	-2	(?)	2	(?)	11	15	-4					(?)	(?)	1	2	-1
1953.....	6	23	-17	(?)	(?)	(?)	3	21	-18					(?)	(?)	2	1	1
Mining and smelting:																		
1951.....	120	25	100	30	1	29	64	24	40	(?)		(?)	2	(?)	2	2	(?)	2
1952.....	209	21	188	133	(?)	134	140	30	110	(?)	(?)	(?)	18	(?)	18	6	(?)	4
1953.....	206	22	184	118	3	115	127	18	109	(?)	(?)	(?)	2	(?)	18	9	(?)	9
Petroleum:																		
1951.....	220	237	93	126	4	121	54	129	-75	60	13	27	23	25	-2	74	60	14
1952.....	228	270	248	121	2	123	112	81	22	27	61	-34	25	58	-23	238	86	152
1953.....	259	154	404	190	9	181	180	44	57	67	24	32	83	11	72	129	68	61
Manufacturing:																		
1951.....	180	110	190	103	73	30	138	30	108	10	13	17	(?)	2	-7	31	2	29
1952.....	160	148	211	203	82	121	120	40	80	21	15	6	(?)	(?)	(?)	15	11	4
1953.....	187	220	-34	165	60	49	37	110	-83	26	22	-4	(?)	(?)	(?)	10	13	3
Public utilities:																		
1951.....	25	33	-8	1	2	-1	24	36	-7	(?)	(?)	(?)	(?)		(?)			
1952.....	21	7	23	1	(?)	1	27	7	21	(?)	(?)	(?)		(?)	(?)	2		2
1953.....	22	10	13	4	2	2	23	17	6	(?)	(?)	(?)		(?)	(?)	3		3
Trade:																		
1951.....	91	23	68	15	7	8	58	18	38	10	8	7	2	1	2	9	5	4
1952.....	65	47	17	9	2	7	29	28	11	9	7	2	2	1	1	0	5	5
1953.....	78	17	26	32	7	25	23	27	-5	11	4	7	2	1	1	5	8	-3
Other industries:																		
1951.....	91	21	70	48	1	47	21	10	11	8	8	1	(?)	(?)	(?)	14	1	13
1952.....	90	10	80	46	1	47	20	2	18	11	8	8	(?)	(?)	(?)	14	1	13
1953.....	112	20	92	47	8	41	34	10	18	16	5	12	2	(?)	1	12	1	11

1. The gross capital outflow shown in each area-industry cell of this table represents the sum of the net capital outflows to those foreign subsidiaries and branches for which net outflows were reported for each of the years covered. Conversely, the gross inflows shown for each cell represent the sum of the net inflows from those foreign subsidiaries and branches for which inflows were reported in each year. The totals for "all areas" are the sums of the figures shown

in the area-industry cells. It should be noted that the gross totals, but not the net amounts, would change if the compilation were done on a quarterly basis.

2. Less than \$500,000.

Source: U. S. Department of Commerce, Office of Business Economics.

Table 5.—Value of Direct Investments Abroad, by Area and Industry, 1950-53

(Millions of dollars)

Area and year	All industries	Agriculture	Mining and smelting	Petroleum	Manufacturing	Public utilities	Trade	Other industries
All areas:								
1953	18,304	658	1,084	4,931	5,242	1,499	1,016	904
1952	14,819	602	1,042	4,291	4,050	1,409	966	800
1951	13,668	642	1,317	2,793	4,192	1,431	893	762
1950	11,788	589	1,129	2,200	3,831	1,425	702	612
Canada:								
1953	5,257	21	583	932	2,434	394	331	567
1952	4,548	21	550	715	2,241	287	284	494
1951	3,072	22	400	502	2,806	285	262	440
1950	3,579	21	334	418	1,807	254	240	385
Latin American Republics:								
1953	6,801	548	1,092	1,683	1,139	1,091	352	187
1952	5,758	564	872	1,577	1,280	1,079	344	162
1951	5,175	557	730	1,403	992	1,044	303	130
1950	4,735	529	638	1,403	780	1,041	242	110
Western Europe:								
1953	2,307	1	30	603	1,200	28	231	120
1952	2,145	1	20	433	1,187	26	218	102
1951	1,070	1	23	311	1,070	27	207	128
1950	1,720	1	21	424	982	27	158	120
Western European dependencies:								
1953	563	12	128	302	11	18	27	3
1952	468	12	118	290	0	18	16	1
1951	440	10	90	281	0	18	18	1
1950	426	8	88	296	0	18	13	1
Other countries:								
1953	2,085	75	68	1,316	357	08	143	72
1952	1,854	64	76	1,177	316	01	103	80
1951	1,518	63	61	928	281	06	85	45
1950	1,318	38	50	854	214	54	61	30

Source: U. S. Department of Commerce, Office of Business Economics.

Table 6.—Value of Direct Investments Abroad, by Selected Countries, 1949-53

(Millions of dollars)

Country	1949	1950	1951	1952	1953
All areas, total	16,700	11,788	13,668	14,819	18,304
Canada	3,146	3,579	3,072	4,548	5,257
Latin American Republics, total	4,590	4,735	5,175	5,758	6,801
Argentina	229	300	305	303	390
Bolivia	10	11	11	11	15
Brazil	588	614	803	1,013	1,003
Chile	316	540	788	923	666
Colombia	194	193	207	234	235
Costa Rica	57	60	61	61	61
Cuba	610	642	672	696	690
Dominican Republic	102	90	123	123	131
Ecuador	16	14	14	14	17
El Salvador	10	10	20	21	22
Guatemala	191	100	100	108	107
Haiti	1	13	14	15	16
Honduras	69	68	76	61	62
Mexico	274	414	471	490	608
Nicaragua	9	9	9	10	9
Panama	337	418	323	383	398
Paraguay	149	197	230	230	232
Uruguay and Paraguay	64	64	74	77	82
Venezuela	1,036	983	906	1,184	1,364
Western Europe, total	1,466	1,720	1,070	2,145	2,307
Austria	11	13	16	16	26
Belgium	55	45	67	63	111
Denmark	30	32	37	38	37
Finland	8	0	8	9	10
France	185	217	260	276	307
Germany	171	204	224	251	276
Greece	3	6	8	0	0
Italy	37	63	72	60	67
Netherlands	57	84	100	108	124
Norway	22	24	28	34	37
Portugal	14	16	16	21	23
Spain	27	31	30	30	46
Sweden	61	58	65	70	74
Switzerland	22	25	28	28	32
Turkey	17	16	17	18	23
United Kingdom	729	847	661	1,038	1,125
Other countries	7	11	14	14	19

Table 6.—Value of Direct Investments Abroad, by Selected Countries, 1949-53—Continued

(Millions of dollars)

Country	1949	1950	1951	1952	1953
Western European dependencies, total	427	406	446	468	593
Western Hemisphere:					
British	61	60	71	98	98
Other European	66	68	68	70	76
Africa:					
British West Africa	8	11	14	21	29
Other British	20	30	40	45	45
French North Africa	13	14	18	24	25
Other French	14	17	14	12	13
Other European	10	12	15	14	16
Other areas:					
Malaya	16	18	21	24	24
Other British	182	172	168	130	253
Other European	30	30	22	30	43
Other countries, total	1,966	1,348	1,616	1,634	2,635
Africa:					
Egypt	38	30	44	46	47
Libya	47	82	104	148	187
Union of South Africa	106	140	167	184	213
Other countries	5	7	7	8	10
Other areas:					
Australia	101	201	240	310	328
India	27	38	40	63	78
Indonesia	62	58	72	74	88
Israel	13	15	24	41	50
Japan	12	16	45	50	58
New Zealand	17	25	31	37	34
Pakistan	6	8	8	9	8
Philippines Republic	132	140	183	178	188
Other countries	401	537	540	664	760

Source: U. S. Department of Commerce, Office of Business Economics.

Table 7.—Private Long-Term Portfolio Capital Movements, by Type and Area, 1946-June 1954

(Millions of dollars; capital outflows (-))

	1946-49, annual average	1950	1951	1952	1953	1954, first half
All areas, total	-18	-436	-437	-234	179	-224
New foreign securities	-187	-254	-491	-299	-276	-264
Amortizations and redemptions	102	361	113	66	130	21
Transactions in outstanding foreign issues, net	9	-322	23	131	223	-64
Banking and commercial loans, net	-25	-280	-84	-123	68	13
Canada, total	23	-254	-272	-36	-8	-144
New foreign securities	-08	-163	-302	-156	-200	-154
Amortizations and redemptions	118	172	88	38	163	47
Transactions in outstanding foreign issues, net	-27	-347	-20	100	112	-49
Banking and commercial loans, net	(?)	4	2	-16	-28	11
Latin American Republics, total	63	27	39	34	23	1
New foreign securities	-10	-10	-10	-10	-10	-10
Amortizations and redemptions	25	19	11	16	9	5
Transactions in outstanding foreign issues, net	44	21	22	16	25	10
Banking and commercial loans, net	-5	-3	-3	8	-1	-14
Europe, total	-17	-190	-06	-90	297	76
New foreign securities	-0	-10	-10	-10	-10	-10
Amortizations and redemptions	31	6	12	9	7	7
Transactions in outstanding foreign issues, net	-25	10	16	11	68	-12
Banking and commercial loans, net	-24	-212	-03	-110	111	81
Other countries, total	6	(?)	-47	-10	7	-66
New foreign securities	-19	-70	-46	-36	-36	-16
Amortizations and redemptions	6	4	2	0	7	4
Transactions in outstanding foreign issues, net	17	7	21	40	33	11
Banking and commercial loans, net	-1	-11	-20	-13	8	-66
International institutions, total	-03	-2	-130	-119	-61	-21
New foreign securities	-61	-61	-130	-82	-31	-64
Amortizations and redemptions	300	300	300	300	300	300
Transactions in outstanding foreign issues, net	-23	-14	-30	-36	-36	-13
Banking and commercial loans, net	-2	2	2	2	2	2

1 Net movement less than \$500,000.

Source: U. S. Department of Commerce, Office of Business Economics.

greatest effects are intangible. Nevertheless, a few scattered comparisons may help to indicate the role of these enterprises.

From the standpoint of foreign countries, the gains from direct investments could be measured partly from their contribution to overall output, both for export and local consumption. The data required to compute such a measure on a careful and comprehensive basis have never been assembled. However, rough calculations made for Latin America indicate that as much as one-tenth of the value of goods and services produced in the area may be accounted for by United States-owned enterprises. The proportion would be much higher for such industries as mining or petroleum, but even in manufacturing the ratio seems to be about 15 percent. Similarly, the ratios would be higher for a number of individual countries in the area.

Some 25 percent of total exports to the United States by foreign countries is produced by United States direct invest-

ment companies abroad which have developed and made possible this large trade with the United States.

Foreign direct investments also have a sizeable effect on the United States economy, not only providing essential imports but also accounting for a significant share of the earnings and investments of many companies. For instance, foreign earnings account for about 10 percent of the total earnings of United States companies in manufacturing industries operating both domestically and abroad. Almost the same percentage of the net book assets of these companies is located abroad. Over one-third of the total earnings of the United States petroleum industry is derived from producing abroad and supplying crude and refined products to the United States and the expanding economies of foreign countries. Nearly one quarter of the net book assets of the industry is devoted to these activities in foreign countries.

Table 8.—Direct Investment Earnings by Areas and Industries, 1946-53

(Millions of dollars)

Area and year	Total	Agriculture	Mining and smelting	Petroleum	Manufacturing	Public utilities	Trade	Other industries
All areas:								
1943	2,215	37	142	1,003	607	48	141	129
1945	2,280	112	208	1,013	643	48	140	109
1951	2,236	140	220	996	606	43	143	86
1953	1,758	116	143	627	537	41	117	81
1949	1,519	75	112	802	506	23	106	75
1948	1,067	100	135	606	558	20	112	72
1947	1,220	108	111	484	434	24	95	62
1946	892	84	72	234	305	21	73	44
Canada:								
1943	443	1	44	10	274	10	33	45
1945	410	1	64	12	257	9	34	53
1951	420	1	68	3	266	9	28	43
1953	445	1	59	17	301	9	20	37
1949	303	1	37	0	277	7	30	35
1948	306	(1)	30	22	277	8	19	40
1947	298	(1)	30	11	197	6	18	30
1946	210	(1)	28	0	139	5	13	22
Latin American Republics:								
1943	747	64	46	492	123	30	45	35
1945	588	53	96	438	150	32	55	25
1951	598	107	104	400	170	27	40	23
1953	610	58	60	274	105	20	20	22
1949	475	64	54	203	91	12	30	19
1948	612	90	85	301	113	12	35	17
1947	621	94	64	186	109	10	32	12
1946	347	72	30	112	87	18	32	10
Western Europe:								
1943	224	(1)	4	78	103	(1)	20	21
1945	305	(1)	5	79	109	(1)	33	20
1951	302	(1)	4	49	104	(1)	34	20
1953	266	(1)	3	42	122	(1)	35	13
1949	203	(1)	2	34	142	(1)	23	11
1948	193	(1)	1	35	121	(1)	23	10
1947	168	(1)	1	25	105	(1)	17	12
1946	129	(1)	1	16	92	(1)	14	7
Western European dependencies:								
1943	169	3	20	120	2	(1)	13	2
1945	164	3	31	112	2	(1)	4	2
1951	126	3	30	75	2	(1)	4	3
1953	100	3	15	74	1	(1)	4	2
1949	132	1	10	100	5	(1)	3	2
1948	115	1	7	98	3	(1)	5	2
1947	78	1	3	60	1	(1)	2	1
1946	42	1	3	38	(1)	(1)	1	(1)
Other countries:								
1943	444	20	10	362	77	7	19	8
1945	315	24	23	271	88	7	21	8
1951	347	20	14	310	63	6	24	10
1953	319	20	10	229	67	6	20	7
1949	315	8	11	218	43	4	21	7
1948	232	9	12	147	37	3	20	4
1947	192	13	7	111	26	3	17	4
1946	164	11	2	60	13	1	12	4

1. Less than \$500,000.

Source: U. S. Department of Commerce, Office of Business Economics.

Table 9.—Direct Investment Income Receipts, by Areas and Industries, 1946-53

(Millions of dollars)

Area and year	Total	Agriculture	Mining and smelting	Petroleum	Manufacturing	Public utilities	Trade	Other industries
All areas:								
1943	1,403	70	96	765	300	49	85	90
1945	1,410	85	158	677	287	40	79	89
1951	1,482	110	159	690	331	45	79	71
1953	1,284	91	112	555	357	44	72	63
1949	1,112	65	80	490	347	35	68	65
1948	1,064	78	121	468	294	33	60	64
1947	800	79	90	302	234	46	65	51
1946	580	61	64	182	157	40	38	42
Canada:								
1943	190	1	35	—20	132	10	12	30
1945	225	(1)	35	—20	120	11	14	41
1951	228	(1)	34	—17	144	11	13	31
1953	294	(1)	31	—3	211	9	17	29
1949	251	(1)	22	—3	171	10	18	25
1948	201	(1)	26	—3	118	8	9	27
1947	178	(1)	23	—2	101	13	13	29
1946	134	(1)	17	—1	70	18	8	28
Latin American Republics:								
1943	606	58	35	358	84	35	32	25
1945	600	73	81	303	84	35	25	18
1951	642	82	87	327	72	31	20	16
1953	622	75	64	269	85	33	17	18
1949	377	59	42	177	48	26	15	16
1948	498	60	83	218	57	24	22	14
1947	414	68	71	140	87	27	22	10
1946	281	49	43	92	37	3	14	10
Western Europe:								
1943	147	(1)	1	70	75	(1)	24	17
1945	180	(1)	1	32	80	(1)	24	14
1951	119	(1)	1	15	71	(1)	20	13
1953	111	(1)	1	9	80	(1)	21	10
1949	93	(1)	1	4	80	(1)	19	8
1948	93	(1)	1	18	60	(1)	19	8
1947	81	(1)	1	10	48	(1)	17	7
1946	64	(1)	1	7	37	(1)	12	7
Western European dependencies:								
1943	122	2	22	91	(1)	(1)	5	2
1945	127	1	27	50	1	(1)	3	2
1951	101	3	25	72	1	(1)	4	2
1953	98	4	12	76	3	(1)	3	2
1949	98	(1)	12	77	5	(1)	2	2
1948	70	(1)	5	46	2	(1)	3	1
1947	31	(1)	8	22	—1	(1)	1	(1)
1946	20	(1)	2	17	(1)	(1)	1	(1)
Other countries:								
1943	395	9	12	308	23	4	13	7
1945	243	11	14	208	29	3	14	9
1951	217	18	12	213	25	4	15	8
1953	268	11	3	213	22	4	14	8
1949	292	5	3	236	20	(1)	14	8
1948	212	7	3	189	24	(1)	12	7
1947	165	11	1	119	10	(1)	10	6
1946	91	12	1	61	7	(1)	6	6

1. Less than \$500,000.

Note: Income receipts consist of dividends, interest and branch profits, after payment of foreign taxes but before United States income taxes.

Source: U. S. Department of Commerce, Office of Business Economics.

Thus, the reciprocal advantages of these direct foreign investments by the United States are clear in those areas of the world, particularly in the Western Hemisphere, where the basis of successful development and investment exists.

Portfolio Investments

Portfolio transactions in foreign securities remained low in 1953 and the first half of 1954 as compared with the 1920's, and were mainly influenced by the relative trends of interest rates in the United States and Canada. Thus, as the spread between Canadian and United States interest rates was nar-

rowed near the end of 1952, American investors tended to liquidate their holdings of Canadian securities while Canadian borrowers turned toward domestic sources of funds. When interest rates in the United States dropped relative to Canadian rates in the fourth quarter of 1953 and the first few months of 1954, Canadian borrowers again came to the United States for funds. As Canadian rates were reduced sharply in May of 1954 the flow of funds was again reversed. There have been no large new Canadian issues sold in the United States from March through October of this year. However, Americans purchased a net amount of \$30 million

(Continued on page 23)

Table 10.—Direct Investment Earnings, Income Receipts, and Reinvested Subsidiary Earnings, by Selected Countries, Years, and Major Industries for 1953

(Millions of dollars)

Country	Earnings						Income receipts						Reinvested earnings of subsidiaries								
	Annual average 1940-51	1952	1953					Annual average 1940-51	1952	1953					Annual average 1940-51	1952	1953				
			Total	Mining and smelting	Petro-leum	Manu-facturing	Other industries			Total	Mining and smelting	Petro-leum	Manu-facturing	Other industries			Total	Mining and smelting	Petro-leum	Manu-facturing	Other industries
All areas, total.....	1,534	2,299	2,216	133	1,403	687	894	1,070	1,419	1,403	50	765	300	293	486	676	765	44	238	354	120
Canada.....	304	419	443	44	16	274	169	216	222	299	20	—20	132	61	144	190	359	15	35	145	54
Latin American Republics, total.....	556	664	747	45	406	122	171	454	699	608	35	356	58	145	345	346	132	11	51	54	35
Argentina.....	20	20	10	(1)	(1)	8	11	10	12	11	(1)	(1)	2	8	14	18	9	(1)	(1)	6	2
Brazil.....	81	145	115	(1)	28	51	24	40	65	70	(1)	23	23	23	35	48	38	(1)	4	26	6
Chile.....	41	63	20	21	(1)	4	11	44	61	20	18	(1)	4	7	2	8	2	(1)	(1)	6	6
Colombia.....	10	19	13	(1)	—1	5	9	8	13	13	(1)	1	3	0	1	3	1	(1)	—2	1	2
Costa Rica.....	8	14	13	(1)	(1)	(1)	13	10	14	13	(1)	(1)	(1)	12	(1)	(1)	(1)	(1)	(1)	(1)	(1)
Cuba.....	55	50	28	(1)	3	4	31	42	44	31	(1)	2	4	25	10	0	3	(1)	1	1	1
Dominican Republic.....	17	21	10	(1)	(1)	(1)	10	14	14	4	(1)	(1)	(1)	4	7	5	(1)	(1)	(1)	5	1
Honduras.....	16	14	10	(1)	(1)	(1)	16	16	15	16	(1)	(1)	(1)	13	1	1	(1)	(1)	(1)	(1)	5
Mexico.....	30	69	45	16	(1)	21	8	25	32	32	12	(1)	11	8	12	20	17	4	(1)	10	3
Panama.....	38	83	40	—	20	1	10	20	43	21	(1)	8	(1)	13	20	58	20	—	21	(1)	6
Paraguay.....	10	32	25	0	(1)	3	13	15	26	24	0	(1)	2	16	4	0	—1	3	(1)	1	—6
Uruguay.....	6	7	30	(1)	1	0	3	4	4	4	(1)	(1)	2	2	9	3	6	(1)	4	2	2
Venezuela.....	200	329	350	(1)	335	7	8	180	250	217	(1)	310	4	4	26	73	84	(1)	26	4	4
Other countries.....	17	13	14	(1)	1	1	13	12	10	13	(1)	1	1	11	4	3	2	(1)	(1)	(1)	1
Western Europe, total.....	309	346	324	4	76	193	61	93	129	147	1	34	78	41	114	174	173	2	45	116	11
Belgium.....	11	17	10	(1)	2	11	2	6	6	8	(1)	1	4	3	4	18	7	(1)	1	6	(1)
France.....	26	27	33	(1)	0	24	3	6	10	11	(1)	3	7	1	20	25	20	(1)	15	15	3
Germany.....	13	19	23	(1)	0	14	3	1	4	6	(1)	(1)	1	1	12	14	18	(1)	10	10	2
Italy.....	5	10	10	(1)	2	5	2	1	7	6	(1)	2	2	1	4	3	4	(1)	3	1	1
Netherlands.....	8	12	16	(1)	7	2	6	3	5	5	(1)	1	1	3	5	8	0	(1)	1	2	2
Portugal.....	4	4	4	(1)	(1)	(1)	4	3	2	2	(1)	(1)	(1)	2	(1)	2	2	(1)	(1)	2	1
Spain.....	3	4	3	(1)	1	2	1	(1)	1	1	(1)	(1)	1	(1)	3	3	2	(1)	(1)	1	1
Sweden.....	7	7	9	(1)	6	3	3	3	4	5	(1)	(1)	3	2	5	3	4	(1)	1	2	1
United Kingdom.....	110	174	186	(1)	45	116	27	64	78	91	(1)	31	45	25	57	96	97	(1)	24	71	2
Other countries.....	12	20	22	(1)	4	10	8	8	11	12	(1)	1	6	5	4	6	10	(1)	3	4	3
Western European dependencies, total.....	96	154	169	29	129	2	17	67	127	123	22	61	(1)	9	25	27	47	8	29	2	6
Western Hemisphere.....	3	3	12	(1)	(1)	12	(1)	1	3	(1)	(1)	(1)	(1)	3	3	2	8	(1)	(1)	(1)	9
British.....	9	4	11	(1)	(1)	11	(1)	9	11	8	(1)	(1)	(1)	8	(1)	—3	3	(1)	(1)	(1)	3
Other European.....	7	20	17	13	4	(1)	0	13	9	8	1	(1)	(1)	(1)	1	7	0	8	3	(1)	(1)
Africa.....	4	5	6	(1)	4	(1)	2	4	1	3	(1)	(1)	(1)	2	1	4	3	(1)	(1)	(1)	(1)
British.....	2	2	2	(1)	(1)	(1)	3	2	1	1	(1)	(1)	(1)	1	(1)	1	1	(1)	(1)	(1)	1
French.....	66	115	119	10	(1)	2	107	45	98	98	10	(1)	(1)	88	10	16	21	(1)	(1)	2	16
Other European.....	(1)	(1)	1	(1)	1	(1)	(1)	(1)	(1)	(1)	(1)	(1)	(1)	(1)	(1)	(1)	(1)	(1)	(1)	(1)	(1)
Other areas, total.....	288	513	534	19	382	77	54	238	343	384	18	308	23	33	52	172	143	9	77	38	20
Africa.....	14	45	39	(1)	(1)	—	30	10	12	7	(1)	(1)	(1)	7	4	26	33	(1)	(1)	(1)	33
Union of South Africa.....	23	35	20	16	6	15	3	16	23	23	10	2	10	1	7	12	15	5	4	4	2
Other countries.....	4	8	5	(1)	2	2	1	3	6	6	(1)	4	1	1	1	2	(1)	(1)	(1)	(1)	1
Other areas.....	28	34	35	(1)	(1)	40	15	9	8	13	(1)	(1)	10	3	12	23	28	(1)	(1)	29	12
Australia.....	14	10	13	(1)	(1)	5	8	13	10	9	(1)	(1)	2	7	1	5	5	(1)	(1)	2	1
India.....	20	28	22	(1)	(1)	32	14	4	22	22	(1)	(1)	32	2	28	28	(1)	(1)	(1)	(1)	1
Indonesia.....	1	1	2	(1)	(1)	1	1	1	2	2	(1)	(1)	(1)	(1)	(1)	(1)	(1)	(1)	(1)	(1)	(1)
Israel.....	3	3	3	(1)	(1)	1	7	3	8	8	(1)	(1)	(1)	6	1	1	3	(1)	(1)	1	4
Japan.....	20	38	31	(1)	(1)	20	20	27	24	24	(1)	(1)	(1)	20	16	5	5	(1)	(1)	1	4
Philippine Republic.....	128	306	308	(1)	301	2	5	181	240	268	(1)	251	1	4	14	50	45	(1)	43	1	1
Other countries.....																					

1. Combined with "Other Industries."

2. Less than \$500,000.

3. Excludes Indonesia and Indochina for all years.

4. Includes Indonesia for all years.

5. Includes Indochina for all years.

Source: U. S. Department of Commerce, Office of Business Economics.

Table 7.—Number of Firms in Operation Jan. 1, Within Selected Major and Minor Industries, by States and Regions, 1951

(Thousands)																				
	Mining and quarrying	Manufacturing							Transportation, communication, and other public utilities	Retail trade								Finance, insurance, and real estate	Personal services	
		Total	Food	Textiles, apparel and leather	Lumber and kindred products	Printing and publishing	Metals and metal products	Other manufacturing		Total	General merchandise	Food and liquor	Apparel and accessories	Automotive	Eating and drinking places	Filling stations	Other retail trade			
Continental United States.....	37.0	332.8	46.2	54.5	43.0	42.0	66.8	55.7	186.7	1,820.9	74.2	492.5	106.6	69.6	364.6	223.9	472.3	326.4	338.5	
New England.....	2.3	25.8	2.3	6.1	6.5	2.7	6.3	4.9	12.9	122.2	4.8	38.2	8.7	5.1	24.4	14.1	33.2	17.9	22.2	
Connecticut.....	1.1	5.1	1.4	1.7	1.4	1.0	2.1	1.0	2.1	27.6	1.8	7.7	2.1	1.2	6.3	3.3	7.2	4.0	6.2	
Maine.....	(1)	3.6	1.3	2.2	2.4	1.2	2.3	1.8	1.8	12.2	1.7	4.0	1.8	1.7	1.4	1.0	3.4	1.4	1.6	
Massachusetts.....	1.1	12.3	1.1	3.3	1.1	1.5	2.9	2.3	6.4	67.4	1.9	17.1	4.2	2.1	9.8	6.8	18.0	8.7	11.0	
New Hampshire.....	(1)	1.8	1.1	1.2	1.8	1.1	1.3	1.2	1.1	8.3	1.4	3.5	1.6	1.4	1.0	1.0	2.3	1.0	1.2	
Rhode Island.....	(1)	2.8	1.2	1.6	1.1	1.2	1.7	1.1	1.8	10.2	1.3	2.8	1.0	1.4	2.2	1.2	2.0	1.3	1.8	
Vermont.....	(1)	1.2	1.1	1.1	1.0	1.1	1.1	1.3	1.8	5.5	1.4	1.0	1.3	1.8	1.0	1.7	1.0	1.0	1.3	
Middle East.....	0.9	104.4	8.3	26.3	9.4	12.3	18.7	20.2	67.5	431.4	13.3	128.5	34.9	15.6	93.8	40.9	169.8	114.1	88.6	
Delaware.....	(1)	1.0	1.1	1.1	1.1	1.1	1.1	1.1	1.1	4.8	1.2	1.2	1.2	1.2	1.2	1.2	1.2	1.0	1.7	
District of Columbia.....	(1)	1.7	1.1	(1)	(1)	1.1	1.1	1.1	1.1	8.1	1.2	2.8	1.7	1.2	1.4	1.4	2.1	4.0	3.0	
Maryland.....	1.2	3.5	1.7	1.0	1.8	1.5	1.5	1.0	2.8	24.3	1.0	7.5	1.4	1.0	5.1	2.7	5.6	3.8	4.6	
New Jersey.....	1.1	14.1	1.0	4.2	1.8	1.8	3.8	3.0	7.1	60.1	1.7	17.7	5.1	2.3	14.6	7.3	16.4	13.1	12.2	
New York.....	1.0	82.8	8.4	20.1	4.1	7.8	8.5	12.3	21.8	197.7	5.0	60.0	17.8	5.8	49.1	14.8	50.0	38.0	45.4	
Pennsylvania.....	5.0	20.3	2.7	4.2	2.7	2.5	4.4	2.7	13.6	114.6	3.6	23.0	8.0	5.2	24.6	11.8	20.6	18.0	18.7	
West Virginia.....	3.0	2.4	1.3	(1)	1.2	1.3	1.2	1.3	2.3	18.4	1.3	5.3	1.0	1.0	3.6	2.4	4.0	2.3	3.0	
Southeast.....	5.0	49.2	6.9	2.7	24.1	4.7	4.1	5.7	25.4	301.7	22.9	68.1	19.6	17.1	45.6	49.3	75.4	37.9	58.7	
Alabama.....	1.4	4.5	1.6	1.2	2.7	1.4	1.4	1.4	2.1	24.8	2.3	7.6	1.2	1.3	3.0	1.1	6.3	2.1	4.9	
Arkansas.....	1.4	2.0	1.3	(1)	1.7	1.3	1.1	1.2	1.4	18.7	1.6	6.3	1.0	1.3	2.6	3.4	4.4	1.8	3.3	
Florida.....	1.1	5.5	1.7	1.4	1.8	1.7	1.8	1.1	2.8	38.2	1.4	8.9	2.5	1.9	8.2	6.2	10.1	7.2	8.3	
Georgia.....	1.1	0.0	1.6	1.6	3.5	1.0	1.4	1.7	2.2	20.9	2.3	9.1	1.0	1.9	3.5	4.4	7.9	4.0	8.8	
Kentucky.....	1.8	3.0	1.6	1.1	1.0	1.4	1.3	1.4	2.8	27.0	1.9	7.9	1.3	1.5	4.9	2.0	6.6	3.1	4.7	
Louisiana.....	1.7	3.5	1.8	1.1	1.3	1.4	1.5	1.5	2.7	28.5	1.9	8.8	1.1	1.3	5.1	3.0	6.1	3.2	4.3	
Mississippi.....	1.1	3.0	1.4	1.1	1.9	1.2	1.2	1.2	1.2	17.4	2.0	4.5	1.0	1.1	2.2	2.4	4.1	1.4	3.0	
North Carolina.....	1.1	7.4	1.9	1.1	3.7	1.6	1.7	1.7	3.1	34.4	2.3	9.5	1.9	2.1	4.1	5.1	9.3	3.6	5.1	
South Carolina.....	(1)	3.1	1.3	1.3	1.9	1.2	1.1	1.3	1.3	19.4	1.4	6.2	1.0	1.2	1.0	2.7	5.0	1.9	3.3	
Tennessee.....	1.4	4.0	1.8	1.4	1.9	1.3	1.9	1.0	2.3	30.7	2.2	8.0	1.3	1.6	4.0	2.0	7.0	3.3	3.7	
Virginia.....	1.7	6.2	1.7	1.3	2.9	1.6	1.4	1.5	3.0	33.4	2.4	9.7	1.6	1.7	4.2	3.0	7.8	4.8	6.4	
Southwest.....	0.3	14.9	1.0	1.0	2.8	2.6	2.6	2.9	11.9	148.4	6.9	84.0	5.9	3.3	26.0	21.5	35.7	15.3	30.6	
Arizona.....	1.2	1.8	1.2	(1)	1.1	1.2	1.1	1.2	1.7	9.1	1.0	2.1	1.4	1.4	2.2	1.4	2.1	1.9	1.7	
New Mexico.....	1.4	1.7	1.2	(1)	1.2	1.1	1.1	1.1	1.2	5.1	1.3	1.8	1.4	1.6	1.7	1.3	1.9	1.9	1.6	
Oklahoma.....	2.0	2.3	1.0	1.1	1.2	1.1	1.1	1.1	1.2	26.6	1.3	5.0	1.2	2.8	4.0	1.7	7.1	3.6	6.0	
Texas.....	0.1	10.2	2.1	1.7	2.3	1.8	1.8	1.0	8.3	97.6	4.7	28.2	4.9	3.4	17.0	18.2	24.6	13.9	21.8	
Central.....	6.2	86.2	12.0	6.5	16.7	16.7	24.6	16.0	52.1	521.1	17.1	180.8	26.6	25.9	112.1	65.1	135.7	54.4	55.0	
Illinois.....	1.5	22.5	2.2	2.2	1.7	2.0	6.7	4.9	11.9	118.1	3.2	30.0	7.2	6.9	37.3	12.3	28.4	37.6	20.7	
Indiana.....	1.0	5.5	1.1	1.8	1.0	1.0	2.0	1.3	1.5	51.1	1.7	15.8	2.3	3.7	7.0	14.0	8.7	7.9	7.9	
Iowa.....	1.3	3.7	1.1	1.1	1.0	1.0	1.7	1.0	1.4	40.7	1.4	8.8	1.8	2.1	8.0	6.8	12.0	6.0	6.0	
Michigan.....	1.5	13.0	1.4	1.5	1.9	1.0	6.5	2.1	6.4	40.7	2.3	21.1	1.9	4.0	17.2	12.0	19.5	9.4	13.4	
Minnesota.....	1.2	5.0	1.4	1.3	1.1	1.1	1.1	1.1	4.5	39.4	1.8	10.2	1.9	2.1	7.5	8.0	10.8	6.5	8.1	
Missouri.....	1.4	7.1	1.1	1.8	1.6	1.4	1.6	1.4	5.3	51.8	2.4	13.1	2.5	2.7	10.0	6.8	13.8	18.7	9.2	
Ohio.....	2.2	14.3	1.8	1.8	1.4	2.2	4.3	3.3	8.2	37.0	3.7	28.2	4.0	4.0	20.4	11.2	25.4	13.3	17.2	
Wisconsin.....	1.2	6.6	2.6	1.5	1.3	1.0	2.0	1.3	5.0	48.1	1.0	11.7	2.3	2.3	12.4	5.4	12.3	6.6	7.0	
Northwest.....	3.8	10.3	2.7	1.4	1.8	2.5	1.5	1.4	11.0	111.6	4.5	15.7	4.9	7.6	21.6	16.6	31.8	15.1	16.4	
Colorado.....	1.7	2.2	1.4	1.1	1.4	1.4	1.4	1.4	1.7	14.6	1.0	3.7	1.9	1.0	3.0	2.3	6.1	3.1	3.2	
Idaho.....	1.2	1.0	1.2	(1)	1.4	1.1	1.1	1.1	1.0	7.6	1.4	1.6	1.3	1.4	1.7	1.0	2.1	1.8	1.0	
Kansas.....	1.7	3.4	1.8	1.1	1.2	1.7	1.6	1.3	2.3	29.2	1.0	7.4	1.2	2.3	5.0	4.3	8.2	2.0	4.6	
Montana.....	1.4	1.0	1.2	(1)	1.4	1.2	1.1	1.1	1.8	9.1	1.4	1.9	1.4	1.6	2.5	1.1	2.2	1.2	1.1	
Nebraska.....	1.2	1.0	1.5	1.1	1.1	1.6	1.3	1.3	2.1	19.7	1.7	4.6	1.8	1.2	2.0	2.7	6.9	2.8	2.6	
North Dakota.....	(1)	1.4	1.2	(1)	(1)	1.2	(1)	(1)	1.7	6.3	1.5	2.0	1.9	1.0	1.4	1.0	2.4	1.0	1.0	
South Dakota.....	(1)	1.7	1.2	(1)	1.1	1.2	(1)	(1)	1.1	10.0	1.5	2.3	1.4	1.7	1.8	1.4	3.0	1.1	1.1	
Utah.....	1.3	1.9	1.3	1.1	1.1	1.2	1.1	1.1	1.6	9.9	1.8	1.6	1.4	1.4	1.3	1.1	1.8	1.1	1.2	
Wyoming.....	1.3	1.3	1.1	(1)	1.1	1.1	(1)	(1)	1.8	4.2	1.2	1.8	1.2	1.2	1.0	1.1	1.1	1.1	1.6	
Pac West.....	2.5	37.3	4.4	3.6	10.2	4.4	3.1	4.2	19.4	188.6	5.0	45.0	18.1	6.3	44.2	25.4	48.7	28.1	36.6	
California.....	2.0	28.8	2.9	3.2	3.7	3.3	7.5	5.1	12.4	137.6	4.0	23.7	8.5	5.8	31.4	18.3	25.9	21.7	28.3	
Nevada.....	1.1	2.1	1.1	(1)	(1)	(1)	(1)	(1)	1.2	2.6	1.1	1.4	1.2	1.1	1.8	1.4	1.8	1.3	1.5	
Oregon.....	1.2	6.3	1.4	1.2	4.1	1.4	1.7	1.4	3.4	21.3	1.8	4.8	1.0	1.0	4.9	3.8	5.8	2.8	3.3	
Washington.....	1.2	5.6	1.6	1.2	2.4	1.0	1.0	1.6	3.3	28.3	1.1	7.3	1.4	1.4	6.9	3.8	7.5	4.4	4.4	
Coefficients of correlation:																				
Firms related to income payments.....	.408	.044	.022	.730	.547	.960	.003	.643	.094	.002	.650	.991	.071	.897	.900	.916	.069	.084	.080	
Firms related to human population.....	.646	.000	.306	.000	.616	.928	.017	.693	.008	.988	.928	.936	.038	.940	.907	.944	.954	.863	.073	

1. Less than 50 firms. Source: U. S. Department of Commerce, Office of Business Economics estimates based primarily on data from the U. S. Department of Health, Education, and Welfare, Bureau of Old-Age and Survivors Insurance.

estimated at about \$200 million in 1953, and of this amount about \$125 million was derived from Canada.

For most countries the interest and amortization payments required to service bonded indebtedness to private United States investors are only a fraction of the amount required in 1930. Total interest receipts on outstanding dollar bonds were only \$83 million in 1953, for instance, as compared with over \$400 million in 1930. Receipts of bond interest, from Latin America alone, were nearly \$100 million in 1930 as against about \$7 million in 1953. In 1930 there were 13 countries which made interest payments of over \$10 million

each, but in 1953 only Canada and the International Bank made interest payments of over \$5 million to United States investors on their outstanding dollar bonds.

Lower interest costs resulted in large part from the repatriations which occurred in the 1930's after defaults brought about a collapse in market prices. A lower overall yield has resulted from the various settlements reached between the borrowers and present bondholders. Such settlements have now been made on the outstanding dollar bonds of all the non-communist countries, except Greece, where negotiations are in progress.

Table 8.—Entrance and Discontinuance Rates: Number of New and Discontinued Businesses per 1,000 Firms in Operation Jan. 1, by States and Regions, 1945-50.

	Entrance rates						Discontinuance rates					
	1945	1946	1947	1948	1949	1950	1945	1946	1947	1948	1949	1950
Continental United States	141	199	124	163	83	27	59	64	66	73	77	72
New England	112	199	85	78	65	74	43	52	44	59	49	67
Connecticut.....	161	181	111	72	75	70	43	50	41	55	73	74
Maine.....	115	178	83	89	65	89	53	82	51	62	73	67
Massachusetts.....	70	225	80	75	58	60	41	53	43	57	71	65
New Hampshire.....	140	167	80	84	87	80	50	57	44	70	78	71
Rhode Island.....	143	120	100	82	63	72	32	44	40	53	35	18
Vermont.....	145	152	121	82	101	75	50	61	60	75	58	48
Middle East	135	174	112	83	73	77	53	59	69	62	74	79
Delaware.....	97	138	143	93	72	74	48	50	51	70	68	73
District of Columbia.....	78	120	82	94	57	22	51	51	55	47	32	60
Maryland.....	127	176	116	112	78	91	54	48	61	60	78	66
New Jersey.....	143	183	105	84	70	70	62	50	44	57	82	65
New York.....	129	173	103	92	73	81	56	64	69	63	79	75
Pennsylvania.....	109	175	130	90	67	67	41	53	47	57	68	50
West Virginia.....	132	183	178	127	95	82	61	60	80	80	85	87
Southeast	141	224	145	125	164	307	65	68	65	85	75	74
Alabama.....	127	222	89	123	116	93	57	57	60	63	86	74
Arkansas.....	167	242	132	123	101	91	82	84	77	117	78	77
Florida.....	225	273	207	176	120	143	83	88	109	124	84	92
Georgia.....	125	250	184	88	112	116	50	78	54	74	78	53
Kentucky.....	143	167	163	127	93	96	64	60	66	80	62	64
Louisiana	140	219	194	125	164	100	58	70	61	76	91	81
Mississippi.....	185	186	146	103	90	91	63	64	65	85	30	70
North Carolina.....	90	246	130	113	104	13	60	59	54	85	60	60
South Carolina.....	129	181	142	108	99	99	51	52	32	72	65	62
Tennessee.....	122	188	119	100	90	101	64	68	58	76	59	80
Virginia.....	117	190	163	135	78	114	50	62	53	62	71	67
Southwest	179	202	184	139	115	119	73	75	73	73	73	77
Arizona.....	245	241	275	153	129	110	85	108	101	135	121	114
New Mexico.....	229	274	179	155	132	128	89	103	102	180	64	98
Oklahoma.....	170	170	147	92	83	106	65	88	81	73	74	72
Texas.....	170	167	168	119	119	108	72	73	84	64	80	72
Central	123	187	187	88	65	73	63	58	55	62	67	65
Illinois.....	110	116	104	92	82	67	60	60	63	78	70	71
Indiana.....	122	167	120	95	70	77	53	65	63	63	71	65
Iowa.....	125	171	188	70	86	64	53	54	47	55	51	54
Michigan.....	184	201	112	103	60	68	66	73	50	74	70	72
Minnesota.....	110	175	112	82	60	68	60	57	54	62	62	66
Missouri.....	98	141	164	81	73	80	57	64	62	60	72	64
Ohio.....	127	173	167	94	71	70	49	62	53	49	70	62
Wisconsin.....	134	165	20	78	57	58	43	45	49	49	67	55
Northwest	164	194	134	96	88	64	61	66	74	74	69	68
Colorado.....	180	224	179	117	112	110	73	80	132	80	81	80
Idaho.....	245	263	148	114	101	113	80	83	90	100	76	104
Kansas.....	102	171	124	75	80	74	57	62	60	64	64	69
Montana.....	145	123	147	84	74	77	64	78	73	75	82	85
Nebraska.....	164	174	164	77	72	60	52	58	58	65	53	63
North Dakota	88	172	165	79	80	87	45	51	53	51	65	40
South Dakota	92	165	145	85	80	74	52	55	57	60	61	62
Utah	106	237	135	81	100	95	65	69	65	84	64	74
Wyoming	223	205	240	117	112	107	70	78	74	89	87	73
Far West	219	244	183	135	186	110	85	85	104	164	116	95
California.....	210	269	187	135	130	108	83	85	107	181	121	93
Nevada.....	287	278	173	162	151	116	96	102	107	145	122	115
Oregon.....	220	279	213	164	97	130	104	102	101	98	114	103
Washington.....	242	243	140	116	101	90	87	98	106	92	92	95

Source: U. S. Department of Commerce, Office of Business Economics.

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